



This High-Yield Dividend Stock Is Perfect for New Investors

Description

It's not uncommon for new investors to get overwhelmed. There can be a lot to learn and comprehend about just a single company. When you consider all the stocks you have to keep track of as well as how the economy may impact those companies, it's understandable that new investors can find it difficult. However, some stocks, including this high-yield dividend stock, are perfect for new investors.

You don't just want to buy a stock because it's simple to understand. The first major prerequisite to buying any stock should be that it's a quality company that you can own for years.

However, being able to understand the investment is also crucial. If you don't understand how a stock makes money and what may impact that, both positively and negatively, how can you put a value on the stock or even have confidence owning it?

If you're a new investor looking to learn the ropes, here's a top high-yield dividend stock that's perfect to help you learn.

One of the best and simplest high-yield dividend stocks for new investors to buy

If you're a new investor looking for a high-quality but easy company to understand, one of the best to buy now is **Pizza Pizza Royalty** ([TSX:PZA](#)), a high-quality [dividend stock](#) currently offering a yield of roughly 6.3%.

Pizza Pizza is a super-simple stock for investors to understand, because it makes all its money collecting royalties from each of its franchises located across Canada. Therefore, its level of sales tends to be very consistent.

Only massive impacts like the pandemic causing shutdowns are likely to ever result in a significant impact on sales. For the most part, Pizza Pizza will see growth or declines in sales by 1% or 2% year over year.

This makes it incredibly easy for new investors to follow and decide whether this high-yield dividend stock is still one of the best to buy at the time. And because it's so simple to understand, we can quickly see what types of risk the stock faces and how it can overcome those headwinds.

Is Pizza Pizza a stop stock to buy now?

Going forward, as its sales are still slowly recovering from the pandemic, here's what could impact its business.

[Inflation](#) is a significant concern. While most other companies may see their margins impacted, Pizza Pizza doesn't necessarily have to worry about that. All investors want to see is consumers coming through the doors and spending money.

However, inflation is already impacting consumers' budgets. And one of the number one ways that consumers plan to cut their spending to adjust for inflation is by eating out less. And if fewer consumers are eating out, that would impact Pizza Pizza's sales and, therefore, the royalty income that the stock would see.

With that being said, Pizza Pizza is one of the lowest-cost dining options there is. Not only that, but its significant size and location count gives Pizza Pizza a considerable advantage, especially since it has its own in-house delivery services and doesn't need to rely on third-party apps.

So, it's still in an excellent position to perform well and earn investors attractive passive income. Plus, not only is it one of the simplest restaurant stocks to buy, but it's also likely to be one of the best performers while higher inflation weighs on the economy.

Therefore, if you're a new investor, it's crucial to find high-quality stocks like Pizza Pizza, which are both solid investments but also companies that you can easily understand.

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